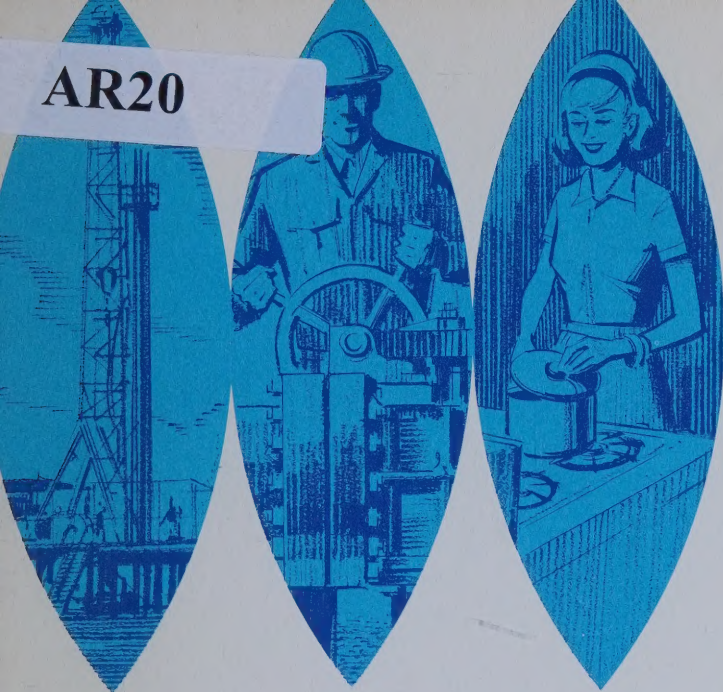


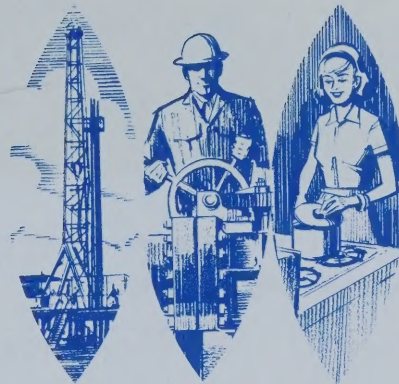
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**CANADIAN
WESTERN
NATURAL GAS
COMPANY LIMITED**

**52ND ANNUAL
REPORT** 
NINETEEN SIXTY-THREE



Canadian Western Natural Gas Company Limited is an integrated natural gas utility company, developing gas reserves, transporting natural gas to communities throughout Southern Alberta and distributing it to residential, commercial and industrial customers.

5 2 n d A N N U A L R E P O R T

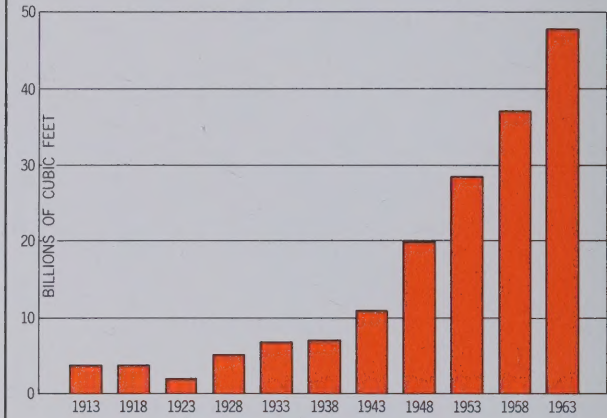
for the year ended December 31

1963

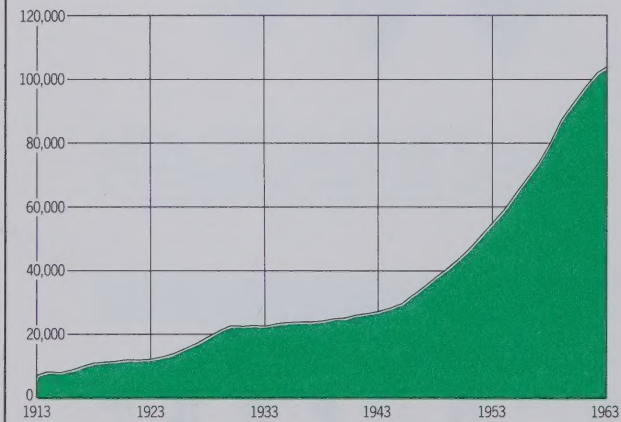
**CANADIAN
WESTERN
NATURAL GAS
COMPANY LIMITED**

Our Record of Growth

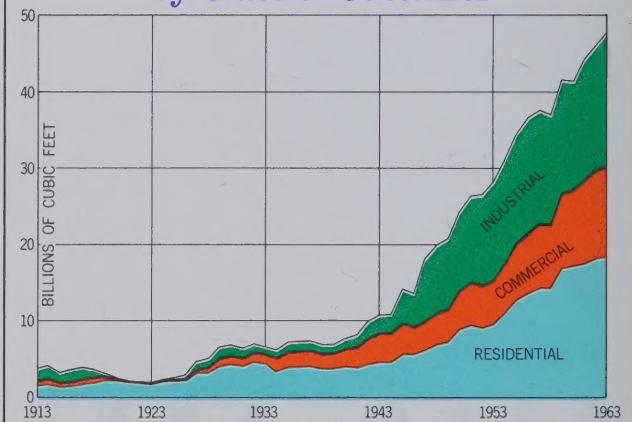
Annual Gas Sales



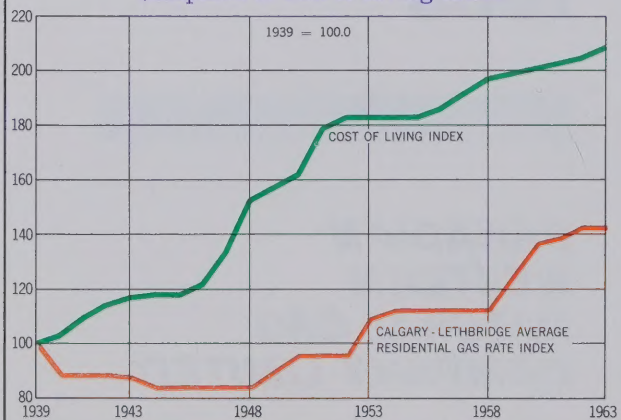
Customer Growth



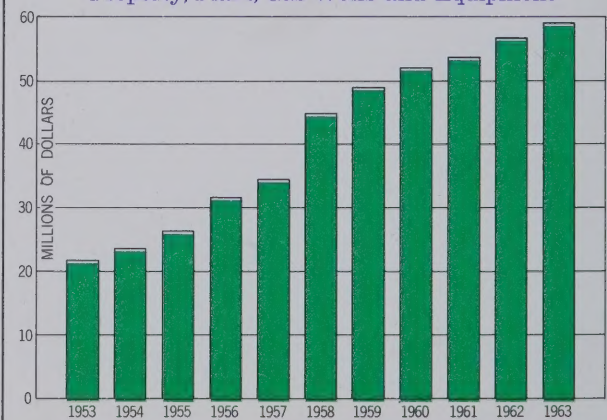
Annual Gas Sales by Class of Customer



Average Residential Gas Rate Compared to Cost of Living Index



Fixed Assets Property, Plant, Gas Wells and Equipment



**CANADIAN
WESTERN
NATURAL GAS
COMPANY LIMITED**

Highlights in Review

	<u>1963</u>	<u>1962</u>	<u>1961</u>	<u>1960</u>	<u>1959</u>	<u>1953</u>
Customers at Year End	103,901	101,155	96,669	92,206	87,045	54,690
Natural Gas Sales ---- (thousands of cubic feet)	47,831,345	46,091,183	44,276,166	41,414,287	41,621,657	28,313,300
Revenue from Sale of Gas	\$17,497,362	\$16,925,707	\$15,623,539	\$14,443,248	\$13,061,059	\$7,374,947
Net Income	\$ 2,325,264	\$ 2,372,067	\$ 2,308,112	\$ 2,143,502	\$ 2,114,563	\$ 730,653
Annual Gross Additions to Plant ---- (1)	\$ 2,828,866	\$ 3,567,118	\$ 2,154,889	\$ 3,459,462	\$ 4,460,376	\$2,301,997
Miles of Pipeline	2,034	2,006	1,935	1,904	1,763	1,050
Maximum Daily Demand	283,911	246,918	253,613	214,218	225,346	155,086
(thousands of cubic feet)						
Communities Served (2)	84	85	80	82	63	27
Population Served ----	393,000	384,000	362,000	349,000	322,000	192,000

(1) Ten year total of gross additions to Plant \$41,565,637.

(2) Montgomery, previously listed as a community, incorporated into the City of Calgary, August 1963.

CANADIAN WESTERN NATURAL GAS COMPANY LIMITED

REGISTERED OFFICE: 140 SIXTH AVENUE SOUTHWEST

CALGARY, ALBERTA, CANADA

BOARD OF DIRECTORS

	H. R. Milner, Q.C., Honorary Chairman	
A. G. Baalim	K. L. MacFadyen	R. S. Munn
Howard Butcher III	F. C. Manning	J. E. O'Connor
M. E. Hartnett	R. C. McPherson	B. F. Willson
H. M. Hunter	P. D. Mellon	D. K. Yorath

OFFICERS

D. K. Yorath	Chairman of the Company
B. F. Willson	President
K. L. MacFadyen	Vice-President Comptroller
J. E. Maybin	Vice-President—Engineering and Gas Supply
J. A. Scott	Vice-President—Administration
M. E. Stewart	Vice-President
H. M. Hunter	General Manager
H. S. Greenway	Secretary
W. L. McPhee	Treasurer
A. J. Smith	Assistant Secretary
J. H. Miller	Assistant Treasurer

TRANSFER AGENTS

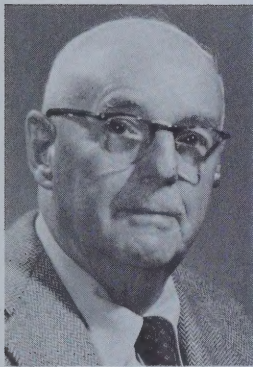
Ordinary Shares:	Montreal Trust Company Calgary, Alberta Edmonton, Alberta Toronto 1, Ontario
Preference Shares:	Canadian Western Natural Gas Company Limited Calgary, Alberta Crown Trust Company Montreal 1, Quebec Toronto 1, Ontario

REGISTRARS

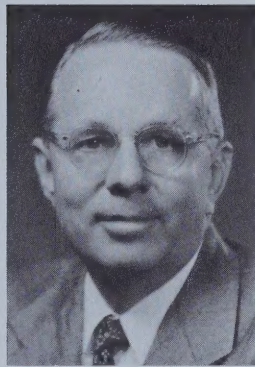
Ordinary Shares:	Montreal Trust Company Calgary, Alberta Edmonton, Alberta Toronto 1, Ontario
Preference Shares:	Crown Trust Company Calgary, Alberta Montreal 1, Quebec Toronto 1, Ontario

AUDITORS

Peat, Marwick, Mitchell & Co.
Room 508, 309 Eighth Avenue Southwest, Calgary, Alberta



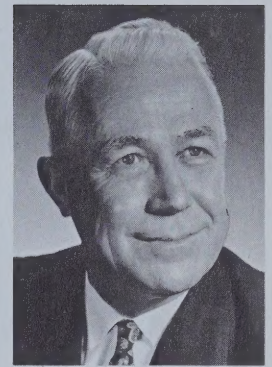
A. G. Baalim



Howard Butcher III

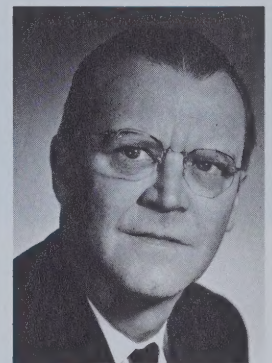


M. E. Hartnett



H. M. Hunter

BOARD OF DIRECTORS



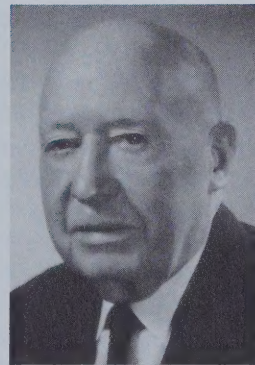
K. L. MacFadyen



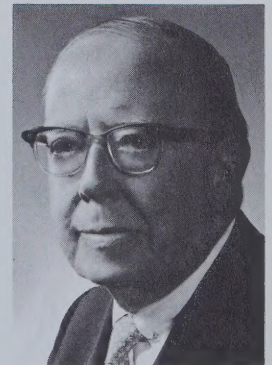
F. C. Manning



R. C. McPherson



P. D. Mellon



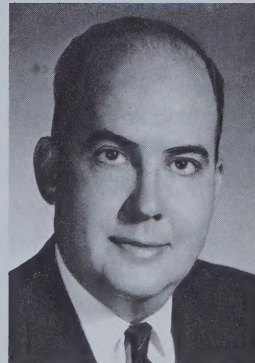
H. R. Milner, Q.C.



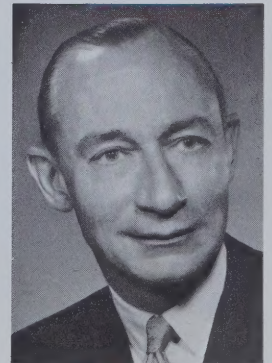
R. S. Munn



J. E. O'Connor



B. F. Willson



D. K. Yorath

52nd Annual Report of the Directors

To the Shareholders

While the year 1963 recorded increases in gas sales and total revenues, net income showed a 2% reduction from the previous year. Earnings per share from operations were \$1.06 as compared with \$1.09 in 1962. When profit from the sale of investments and other adjustments are included, earnings per share totalled \$1.15.

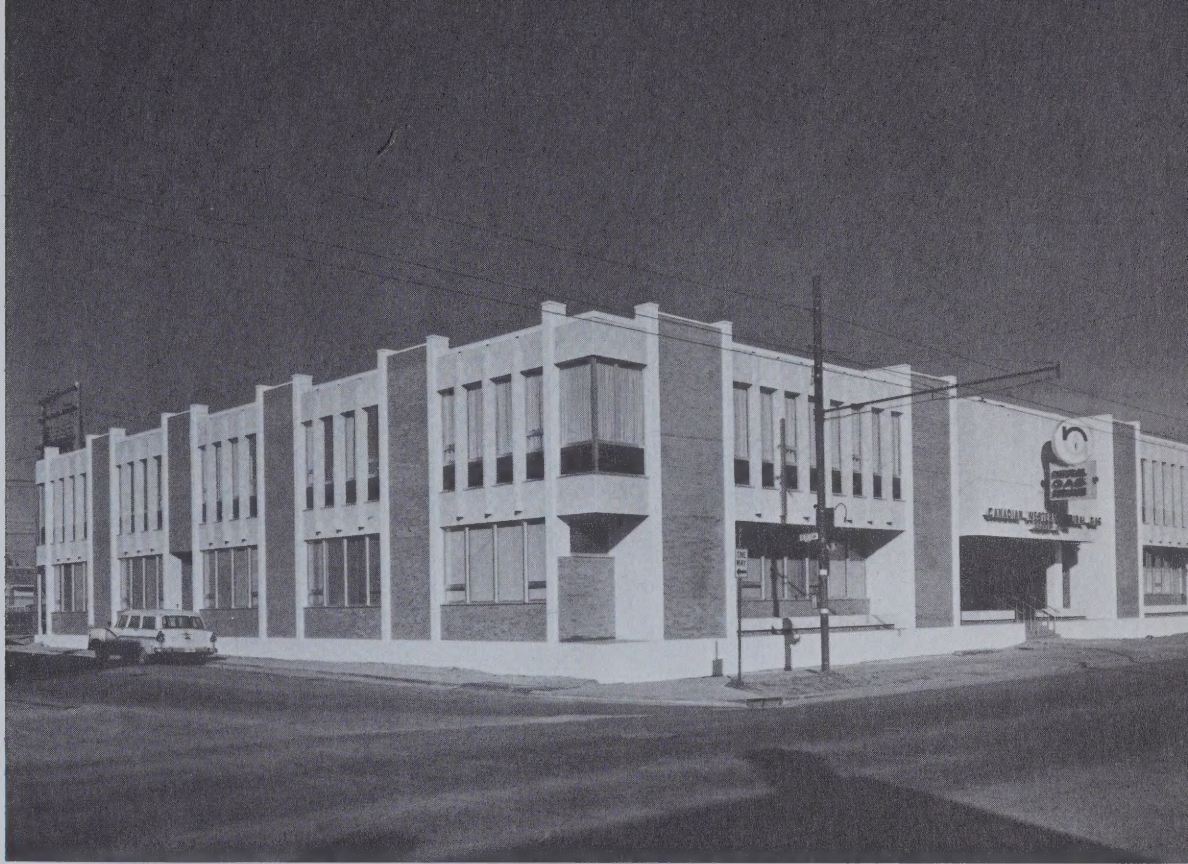
The weather during the year was appreciably warmer than the long-term average with the result that gas sales showed an increase of only 1.74 billion cubic feet. This was an increase of 3.8% over last year's sales of 46 billion cubic feet. Had the weather been normal, it is calculated that our sales of gas would have been about 5% above those of 1962. Sales of gas to industries were an encouraging 7.5% higher than the previous year.

Revenue from natural gas sales totalled \$17,497,000, up \$797,000 or 4.8%. Because of increases in purchased gas costs, operating expenses and taxes, net income declined slightly from \$2,372,000 to \$2,325,000. Our calculations indicate that the warmer than normal weather had the effect of decreasing total revenue by nearly \$800,000. Had the weather been normal, a somewhat higher net income and earnings per share would have been reported.

During the year the company's gas supply position improved with the connecting up of two new sources of supply in the area east and northeast of the City of Calgary. Canadian Western has entered into a purchase agreement with Canadian Pacific Oil and Gas Limited covering the purchase of gas from this area. The recoverable reserves in all the fields connected to the system constitute a 22-year supply at the present rate of consumption. This does not take into account the contracts with the gas export companies under which we have the right to call on them at any time for additional supplies at favorable prices.

New customers added during the year totalled 2,746, down considerably from the 4,486 who were connected in 1962. A decline in house building, together with the fact that no new communities were added during the year

Natural Gas Service Centre
—Construction of this new
building in Calgary was
completed this spring. Now
in one building are construc-
tion, operating, service and
engineering departments.



accounted for this decrease. At year-end the company was serving 103,901 customers in 84 separate communities.

No change in consumer rates occurred during the year. The average rate paid by all classes of consumers was down slightly from that of 1962, due to a somewhat higher proportion of sales to industries. The company's rates continue to be among the lowest in the North American continent.

When considered in the light of the warm weather experienced, the results for the year 1963 were gratifying. This was due in large measure to the loyal and dedicated efforts of the company's employees who continue to render efficient service to the gas consumers of Southern Alberta. The Directors are most pleased to express their appreciation to the employees for their fine performance during the year.

By Order of the Board of Directors,

B. F. Willson

B. F. Willson, President.

March 13, 1964.

The Year in Review

GAS SALES

Total gas sales, while showing a modest increase due to growth over those of 1962, were adversely affected by weather which was considerably warmer than normal. Average temperature for the year was 2.2 degrees above the long-term average, while in 1962 it was 1.0 degree above normal. In five of the last six years temperatures have been warmer than normal.

Residential and commercial sales are largely space heating and are most significantly affected by temperature deviation. These categories of sales represent approximately 66% of sales volume. It is estimated that sales in these categories would have been approximately 2,080,000 MCF greater had the weather been normal in the year 1963 and that revenues would have been \$763,000 greater. Despite the effect of weather, actual gas sales revenue in the residential and commercial categories increased by \$332,000 over the previous year, due largely to the increase in customers.

Industrial sales are not affected materially by weather. An increase in sales volume of 7.5% over 1962 was recorded in this category. This encouraging increase is due largely to a generally higher level of consumption by the industries the company serves, rather than to new industry.

The company's largest industrial consumer is the Calgary chemical fertilizer plant of Consolidated Mining & Smelting Company of Canada Limited which uses nearly 30% of total industrial sales.

During the course of the year a three-party agreement was negotiated with Canadian Pacific Oil and Gas Limited and Consolidated Mining & Smelting Company. As a result of this, Consolidated Mining & Smelting Company in future will be supplied with gas by Canadian Western under a long-term contract. As part of this same agreement Canadian Western will be buying gas from Canadian Pacific Oil and Gas in volumes equivalent to Consolidated Mining & Smelting Company's purchases from Canadian Western. Canadian Western has also acquired certain rights to purchase further volumes from Canadian Pacific Oil and Gas as they become available.



This radar station near Penhold uses natural gas as its sole source of energy. All electric requirements of the station are supplied by generators powered by natural gas-fired turbines.

Exciting new developments are taking place with respect to new uses for natural gas. One of these is the "total energy" concept in which the natural gas supply to a building or plant is the sole source of energy for heating, lighting, air conditioning and power purposes.

SALES PROMOTION

An example is the station of No. 43 Radar Squadron, east of Penhold. Generators powered by natural gas-fired turbines provide all the power requirements on this important defense installation. The company expects further installations of on-site power generation, particularly in large public buildings, shopping centres and hotels. It is expected that other schools will follow the lead of Jasper Place which has built Canada's first "total energy" school, now served by our associate, Northwestern Utilities, Limited of Edmonton.

The company continues its efforts to develop new uses in existing markets and to attract new industry to Alberta. The sales and industrial development department is constantly working to these objectives.

A large market for natural gas is being developed in the air-conditioning of commercial buildings. The majority of office buildings built in recent years in Calgary use natural gas for air-conditioning, as well as for heating purposes.

Other uses for natural gas are continually undergoing study. The use of natural gas as an energy source in the pumping of water for irrigation

purposes has recently received attention. Meetings have been held with interested farmers, in an effort to develop plans whereby more farmers adjacent to our major transmission lines will be able to enjoy the benefits of low cost natural gas.

GAS SUPPLY

As of December 31, 1963, the recoverable reserves in the fields connected to Canadian Western's system were estimated to be 1,132 billion cubic feet. This represents an increase over the previous year's reserve estimate, which was 1,027 billion cubic feet, and results from the addition of new sources of supply.

Two new sources of supply began delivering gas to the Canadian Western system just prior to the year end. They are operated by Canadian Pacific Oil and Gas Limited. Most of the gas will be received from the Redland area, where 28 successful gas wells have been drilled to date. This area is located immediately south and east of the Carbon field. It will be supplemented by gas from an area near Strathmore, where five gas wells have been drilled so far. Gas from both of these areas will be delivered to Calgary through the same pipeline which transmits gas from the company's wells at Carbon.

The plant which processes gas from the Jumping Pound and Sarcee fields supplied 46% of the annual gas requirements for 1963, being approximately the same proportion as in 1962. There was a decline in production from the Turner Valley Field as had been predicted in last year's report. The volume received from there now represents 30% of the total requirements. The Okotoks Field again provided approximately 10% of the requirements.

A minor portion of Canadian Western's requirements was obtained through contractual arrangements with Trans-Canada Pipe Lines Limited, Westcoast Transmission Company Limited and Alberta and Southern Gas Co. Ltd. Although large quantities of gas are potentially available through these contracts, only relatively limited use is made of them at this time. The reserve figure of 1,132 billion cubic feet does not take into account the availability of such gas.

The Carbon Field and the storage field at Bow Island, which, in terms of annual requirements, do not supply a large portion of the total, were essential in times of peak demand and during the maximum day supplied 33% of the total needs of our customers.

During the year, the gas injected into Bow Island exceeded the withdrawals by 191,000 MCF. This increase in the net amount of gas stored will sustain and actually slightly improve the deliverability from that field for the 1963-64 winter. Further work was undertaken on the gathering system and processing equipment at the Carbon Field. Eleven producing wells are now

This view of the data processing centre in Calgary shows the units of the computer recently installed. New equipment provides much needed capacity for billing and accounting operations.



connected, and, upon completion of the work undertaken during 1963, the Carbon Field system will be able to deliver at rates higher than 100 million cubic feet per day.

By the end of 1963, the total system capability had been increased to 336 million cubic feet per day. The weather was relatively mild and no unusually severe peak demands were experienced during the latter part of 1963. The 284 million cubic feet delivered on January 9, 1963, mentioned in last year's report, turned out to be the highest demand experienced during the entire calendar year.

Capital expenditures for the year totalled \$2,829,000. Construction has now been completed of a Service Centre building in Calgary, consolidating in one structure operations previously carried out in four separate locations. The building is adjacent to the company's West End Shop, construction and service base for half a century.

PLANT EXPANSION

Total cost of the building will be approximately \$800,000. The fully gas air-conditioned Service Centre houses the meter and regulator repair shops, customer service, plant records, transmission and distribution engineering and operating departments, as well as special facilities such as training rooms, appliance testing facilities and gas quality control laboratories.

During the year about \$1,400,000 was spent on facilities and equipment to serve new customers connected to the system.

A slowdown in residential construction occurred in 1963 with the result that the number of new customers fell short of the previous year's experience. However, the economy of the company's service territory is strong and the long-term prospects for further growth are considered favourable.

During 1963, together with its affiliate, Northwestern Utilities, Limited of Edmonton, the company presented a brief to the Royal Commission on Taxation during the sittings of that Commission in Edmonton. The brief pointed out various inequities which operate against the shareholder-owned section, as compared with the government-owned section, of the utility industry in the matter of income tax. The company also cooperated with the Canadian Gas Association in the preparation and submission of a similar brief before the commission at its Ottawa hearings.

GENERAL

**CANADIAN
WESTERN
NATURAL GAS
COMPANY LIMITED**

Balance Sheet

(with comparative figures)

ASSETS

Fixed assets:

	1963	1962
Property, plant, gas wells and equipment — at cost	\$59,194,621	\$56,821,364
Deduct amortization and depreciation	15,361,415	14,173,624
	43,833,206	42,647,740

Undertaking, franchises, gas rights, etc. in respect of which no provision for amortization is being made (including \$2,000,000 par value ordinary shares in Calgary Gas Company, Limited) acquired through issue of ordinary shares	8,000,000	8,000,000
	51,833,206	50,647,740

Investments not having market quotations — at cost, less reserve	4,821	5,591
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Current assets:

Cash	287,945	134,606
Marketable securities — at cost (quoted market value \$40,470; 1962 \$197,680)	9,925	38,125
Accounts receivable (including \$75,000 of unbilled revenue which is less than estimated) less allowance for doubtful accounts	1,738,780	1,574,793
Due from parent and affiliated companies	38,529	31,883
Materials and supplies — at or below average cost	570,850	573,692

Total current assets	2,646,029	2,353,099
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Unamortized debt discount and expense	362,134	394,634
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Other prepaid expenses and deferred charges	58,710	74,074
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Approved on behalf of the Board:

D. K. YORATH, Director

B. F. WILLSON, Director

\$54,904,900 **\$53,475,138**

Statement in accordance with Section 122(6) of The Companies Act (Alberta):

Calgary Gas Company, Limited, a subsidiary company, is not an operating company and consequently there are no earnings or deficit to be dealt with in the accounts of the above company.

PEAT, MARWICK, MITCHELL & CO.
Chartered Accountants

December 31, 1963

figures for 1962)

LIABILITIES

	1963	1962
Capital stock and surplus:		
Preference shares (Note 1)	\$ 9,508,200	\$ 9,508,200
Ordinary shares:		
Authorized — 3,000,000 shares without nominal or par value		
Issued — 1,780,000 shares	10,799,000	10,799,000
Earned surplus (Note 2)	10,976,090	10,346,694
General reserve	1,711,541	1,711,541
	23,486,631	22,857,235
Total capital stock and surplus	32,994,831	32,365,435
Funded debt (Note 3)	14,040,000	14,458,000
5¾ % purchase agreement payable, amount due beyond one year	92,000	—
Current liabilities:		
Demand notes payable to bank	800,000	450,000
5¾ % demand notes payable to parent and affiliated companies	1,800,000	900,000
Accounts payable and accrued charges	1,214,244	1,890,805
Interest accrued on funded debt	237,072	238,465
Interest accrued on consumers' deposits	205,568	176,428
Sinking fund payments due within one year	272,000	—
Purchase agreement payable, amount due within one year	23,000	—
Income taxes accrued	817,400	1,069,747
Other taxes accrued	438,958	440,556
Total current liabilities	5,808,242	5,166,001
Consumers' deposits	890,698	815,407
Reserves:		
Contributions for extensions	419,693	372,929
Future income taxes (Note 5)	345,600	—
Miscellaneous	313,836	297,366
	1,079,129	670,295
	\$54,904,900	\$53,475,138

The accompanying notes are an integral part of the financial statements and
should be read in conjunction therewith.

**CANADIAN
WESTERN
NATURAL GAS
COMPANY LIMITED**

Statement of Income

Year Ended December 31, 1963
(with comparative figures for 1962)

	<u>1963</u>	<u>1962</u>
Natural gas sales	\$17,497,362	\$16,925,707
Less additional revenue for 1959 (as allowed by The Board of Public Utility Commissioners) presumed to have been collected during the year	—	(225,000)
	17,497,362	16,700,707
Operating expenses and taxes:		
Natural gas purchased	5,647,860	5,348,094
Operating	3,633,151	3,493,975
Maintenance	593,577	598,064
Directors' fees	6,850	7,850
Taxes — income (Notes 4 and 5)	2,138,000	1,999,000
Taxes — other than income	1,256,635	1,232,052
Depreciation — exclusive of \$126,796 included in other expenses (1962 — \$133,390)	1,223,733	1,110,775
	14,499,806	13,789,810
Net operating income	2,997,556	2,910,897
Other income:		
Interest and dividends	17,515	42,285
Rent	193,681	203,350
Miscellaneous	25,591	104,559
	236,787	350,194
	3,234,343	3,261,091
Income deductions:		
Interest on long term debt	721,323	805,567
Proportion written off debt discount and expense	32,500	33,753
Consumers' deposit and sundry interest	155,256	49,704
	909,079	889,024
Net income	\$ 2,325,264	\$ 2,372,067

The accompanying notes are an integral part of the financial statements and should be read in conjunction therewith.

Statement of Earned Surplus

Year Ended December 31, 1963

Balance at December 31, 1962			\$10,346,694
Add:			
Net income for the year	\$2,325,264		
Adjustment of prior years' income taxes — net	33,644		
Profit on sale of investments	134,816	2,493,724	
			<u>12,840,418</u>
Deduct:			
Dividends paid:			
4% cumulative preference shares	220,328		
5½% cumulative preference shares	220,000		
Ordinary shares	1,424,000	1,864,328	
			<u>\$10,976,090</u>
Balance at December 31, 1963			

The accompanying notes are an integral part of the financial statements and should be read in conjunction therewith.

Auditors' Report to the Shareholders

We have examined the balance sheet of Canadian Western Natural Gas Company Limited as of December 31, 1963 and the statements of income and earned surplus for the year ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the company, the accompanying balance sheet and statements of income and earned surplus are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the company at December 31, 1963 and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Calgary, Alberta
February 4, 1964

PEAT, MARWICK, MITCHELL & CO.
Chartered Accountants

**CANADIAN
WESTERN
NATURAL GAS
COMPANY LIMITED**

Notes to Financial Statements

December 31, 1963

1. Preference shares:

Authorized:

600,000 shares of the par value of \$20 each, issuable in series, of which 325,000 shares have been designated as Cumulative Redeemable Preference shares 4% series and 200,000 shares have been designated as Cumulative Redeemable Preference shares 5½% series.

Issued and redeemable at the option of the company on 30 days' notice at \$20.60 per share:

275,410 shares 4% series	\$ 5,508,200
200,000 shares 5½% series	4,000,000
	<u>\$ 9,508,200</u>

2. The Trust Deed securing the First Mortgage Bonds imposes certain restrictions upon the payment of dividends and management fees and upon the redemption or repayment of the Company's preference and ordinary shares.

3. Funded debt, less sinking fund payments due within one year:

	<u>1963</u>	<u>1962</u>
3½% First Mortgage Sinking Fund Bonds, Series A, due April 1, 1971	\$ 8,000,000	\$ 8,000,000
Less redeemed and cancelled	3,350,000	3,000,000
	<u>4,650,000</u>	<u>5,000,000</u>
Less purchased for sinking fund	475,000	704,000
	<u>4,175,000</u>	<u>4,296,000</u>
5¾% First Mortgage Sinking Fund Bonds, Series B, due February 1, 1982	7,000,000	7,000,000
Less redeemed and cancelled	885,000	700,000
	<u>6,115,000</u>	<u>6,300,000</u>
Less purchased for sinking fund	—	185,000
	<u>6,115,000</u>	<u>6,115,000</u>
Less sinking fund payment due within one year	185,000	—
	<u>5,930,000</u>	<u>6,115,000</u>
5¾% First Mortgage Sinking Fund Bonds, Series C, due April 1, 1983	4,500,000	4,500,000
Less redeemed and cancelled	450,000	360,000
	<u>4,050,000</u>	<u>4,140,000</u>
Less purchased for sinking fund	28,000	93,000
	<u>4,022,000</u>	<u>4,047,000</u>
Less sinking fund payment due within one year	87,000	—
	<u>3,935,000</u>	<u>4,047,000</u>
Total funded debt less sinking fund payments due within one year	<u>\$14,040,000</u>	<u>\$14,458,000</u>

Notes to Financial Statements

(CONTINUED)

4. When computing taxable income for the years 1954 to 1961 inclusive, depreciation has been claimed at maximum rates permitted by the income tax act (being a greater allowance than that provided for in the accounts of the company) which effected a postponement in income taxes to future years of a total amount of \$1,804,000. Commencing in 1962 the company has claimed depreciation for tax purposes only to the extent that depreciation has been provided for in its accounts.
5. During 1962 and 1963 the company acquired certain natural gas rights which, under 1962 amendments to the income tax act, must be claimed against income in the year in which payment therefor has been made. Consequently the company will claim such items for tax purposes in 1963 which effects a postponement in income taxes to future years. The amount of the postponement effected in 1963 is approximately \$345,600. This amount will be used to reduce reported income tax expense in future years when the amortization of the assets acquired is charged against income.

CALGARY GAS COMPANY, LIMITED

Subsidiary of
CANADIAN WESTERN NATURAL GAS COMPANY LIMITED

Balance Sheet

December 31, 1963

ASSETS

Franchises and Rights	\$2,000,000
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SHARE CAPITAL

Authorized and Issued:	
20,000 ordinary shares of \$100 each	\$2,000,000

Approved on behalf of the Board:

D. K. YORATH	Director
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B. F. WILLSON	Director
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Auditors' Report to the Shareholders

We have examined the balance sheet of Calgary Gas Company, Limited as of December 31, 1963 and have obtained all the information and explanations we have required. In our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the company, the accompanying balance sheet is properly drawn up so as to exhibit a true and correct view of the state of the affairs of the company at December 31, 1963, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Calgary, Alberta
February 4, 1964

PEAT, MARWICK, MITCHELL & CO.
Chartered Accountants

Up-to-date maps must be maintained of all parts of the company system, as new lines are added and new subdivisions developed. Here draftsmen are busy on a major revision of maps of the distribution system in Calgary.



Heart of any home is the kitchen and here, in a gas show home, Marjorie Starr of the home service department is at work at the attractive, practical centre island containing top burner units. Two gas ovens are in the wall behind her. Home shows, where the public can see gas equipment in place are actively promoted by the company.

Work of installing service lines to new homes goes on every day of the year no matter what the weather. This picture was taken in 20-below zero weather, as distribution crews worked to provide service to yet another customer in growing southern Alberta.



Combined Statistical Data

Relating to

Alberta's Major Associated Natural Gas Utility Companies CANADIAN WESTERN NATURAL GAS COMPANY LIMITED NORTHWESTERN UTILITIES, LIMITED

	<u>1963</u>	<u>1962</u>	<u>1961</u>	<u>1960</u>	<u>1959</u>	<u>1953</u>
Customers at Year End	212,726	205,350	195,385	185,885	176,254	110,388
Natural Gas Sales (thousands of cubic feet) (1)	111,430,522	105,981,210	98,264,333	95,701,560	94,267,441	54,024,869
Revenue from Sale of Gas	\$38,242,828	\$36,900,355	\$33,991,895	\$32,630,158	\$27,760,098	\$14,225,640
Net Income	\$ 5,334,049	\$ 5,445,339	\$ 5,233,345	\$ 5,042,631	\$ 4,647,750	\$ 1,787,872
Annual Gross Additions to Plant (2)	\$ 8,610,939	\$ 7,868,425	\$ 4,732,698	\$ 6,695,200	\$ 8,943,442	\$ 6,972,549
Miles of Pipeline	4,765	4,554	4,413	4,288	4,075	2,445
Maximum Daily Demand	632,800	565,817	564,861	481,170	516,639	307,535
(thousands of cubic feet)						
Communities Served	163	164	155	155	133	54
Population Served ...	844,000	808,000	768,000	739,000	694,000	421,000

(1) Due to the institution of therm billing in Northwestern Utilities, Limited, in 1959, natural gas sales for that company have been adjusted to a 1000 BTU equivalent basis for the years 1959 through 1963.

(2) Ten year total gross additions to Plant \$85,887,589.

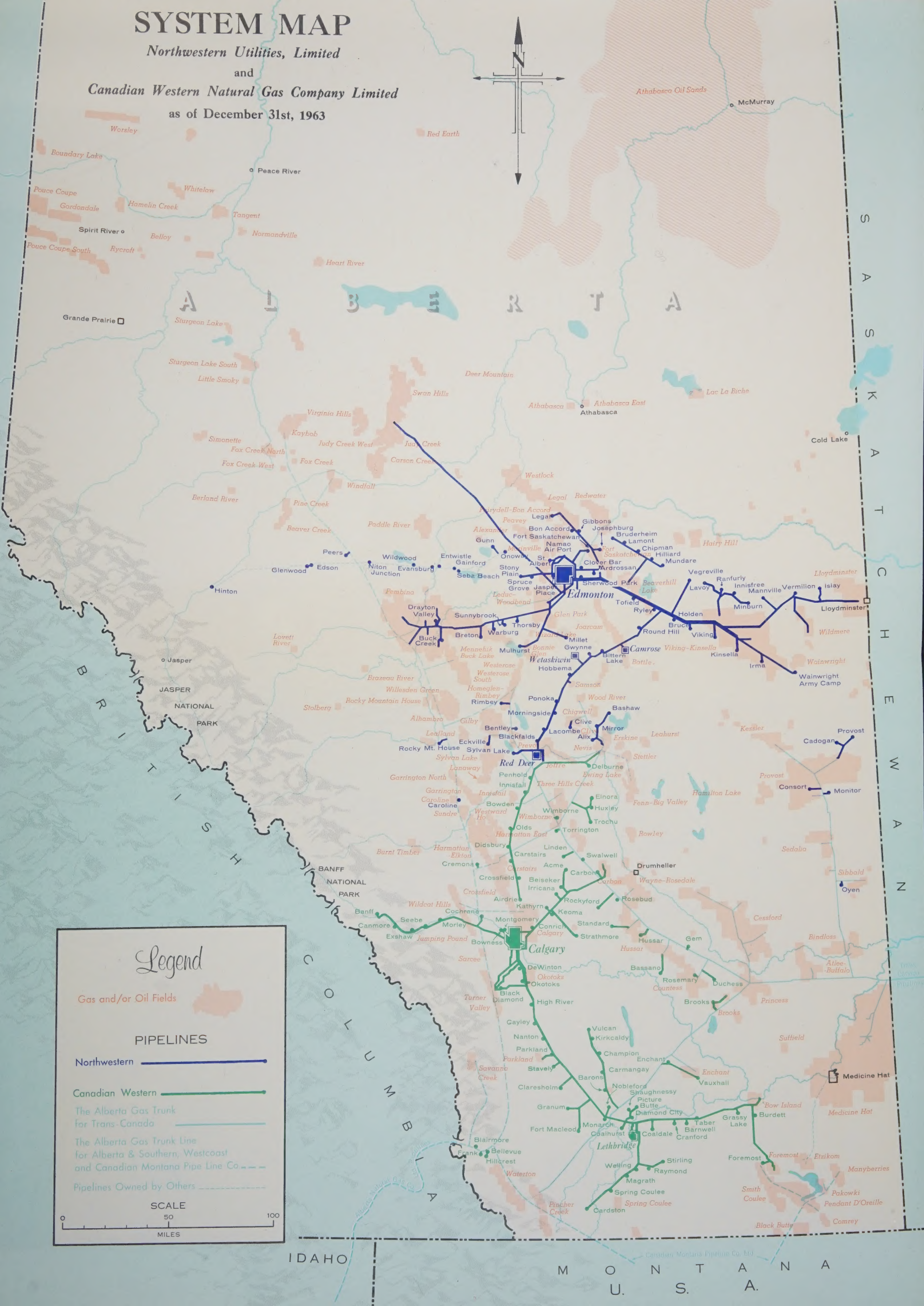
SYSTEM MAP



FOLD OUT

SYSTEM MAP

Northwestern Utilities, Limited
and
Canadian Western Natural Gas Company Limited
as of December 31st, 1963



Legend

Gas and/or Oil Fields

PIPELINES

Northwestern

Canadian Western

The Alberta Gas Trunk
for Trans-Canada

The Alberta Gas Trunk Line
for Alberta & Southern, Westcoast
and Canadian Montana Pipe Line Co.

Pipelines Owned by Others

SCALE

50

100

MILES

IDAHO

MONTANA

**COMMUNITIES SERVED • ACME • AIRDRIE • BANFF • BARNWELL
BARONS • BASSANO • BEISEKER • BELLEVUE • BLACK DIAMOND
BLAIRMORE • BOWDEN • BOWNESS • BROOKS • BURDETT
CALGARY • CANMORE • CARBON • CARDSTON • CARMANGAY
CARSTAIRS • CAYLEY • CHAMPION • CLARESHOLM • COALDALE
COALHURST • COCHRANE • CONRICH • CRANFORD • CREMONA
CROSSFIELD • DELBURNE • DE WINTON • DIAMOND CITY
DIDSBURY • DUCHESS • ELNORA • ENCHANT • EXSHAW
FOREMOST • FORT MACLEOD • FRANK • GEM • GRANUM
GRASSY LAKE • HIGH RIVER • HILLCREST • HUSSAR • HUXLEY
INNISFAIL • IRRICANA • KATHYRN • KEOMA • KIRKCALDY
LETHBRIDGE • LINDEN • MAGRATH • MONARCH • MORLEY
NANTON • NOBLEFORD • OKOTOKS • OLDS • PARKLAND
PENHOLD • PICTURE BUTTE • RAYMOND • ROCKYFORD
ROSEBUD • ROSEMARY • SEEBE • SHAUGHNESSY • SPRING
COULEE • STANDARD • STAVELY • STIRLING • STRATHMORE
SWALWELL • TABER • TORRINGTON • TROCHU • VAUXHALL
VULCAN • WELLING • WIMBORNE**

**CANADIAN
WESTERN
NATURAL GAS
COMPANY LIMITED**